

Bitcoin may be vat
exempt in the nl



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The residents of the Netherlands are expecting to see Bitcoin as a VAT exempt soon.

Bitcoin is a great technology, known by people around the world for its low fees and fast transactions.

The Bitcoin technology is making waves of progression in The Netherlands. The region has inspiring projects like Arnhem Bitcoinstad which might be followed by Amsterdam Bitcoinstad soon.

A representative of the Ministry of Finance is also considering that Bitcoin will be a VAT exempt.

Although nothing has been finalized yet, it is very likely. Statements and information were provided from a Ministry of Finance representative on 20th November 2014, in a Bitcoin debate held at the Free University of Amsterdam.

Jakob Kamminga, the representative said in the Bitcoin debate that it seems that Bitcoin will probably not be subject to any VAT or taxes in The Netherlands, by considering the present situation.

This was exciting news for Bitcoin enthusiasts but “ most likely” were the critical words he used.

Although nothing can be said with certainty, there is no harm in hoping for the best. It is even possible that the opposite will happen.

This statement can be perceived as an indication of the Ministry of Finance's official ruling, which is good for both Bitcoin adoption and awareness in the region.

Usually such decisions involve more ramifications than simply cashing out a Bitcoin in exchange for fiat currency to pay the bills.

Bitcoin payments would not be subject of VAT either, differentiating the purchase from a trade with virtual currency.

Thinking from a merchant's point of view, such a ruling would be extremely favorable to both parties for a very simple reason.

The reason is that neither the product purchased nor the digital currency used to pay the bill is subject to VAT.

This prevents consumers in The Netherlands from being flagged as VAT eligible entrepreneurs when they use Bitcoin to make payments.

This is all very impressive but a lot of work needs to be completed on the legislative sector to implement it.

How the Ministry of Finance would choose to deal with professional Bitcoin merchants is one of the many critical questions that still need to be answered.

Assuming that the outcome of this legislation will be quite positive for the merchants too, it can be concluded that The Netherlands could actually become a much bigger Bitcoin hotspot in the Europe area, and also in the world.

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For instance, if a Bitcoin exchange based in Netherlands has no pressure to pay VAT, it would enjoy some significant benefits.

The scenario would be the same for the Bitcoin day traders, who would not be enforced to pay VAT on their earnings anymore.

However, even if the Ministry of Finance really decides to make Bitcoin a VAT exempt in The Netherlands, it would not be the first such country.

The United Kingdom and Finland are already enjoying their Bitcoin transactions free of any VAT burden.

From this prospect, Europe is definitely leading the Bitcoin revolution.